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NGAI LIK INDUSTRIAL HOLDINGS LIMITED
(毅 力 工 業 集 團 有 限 公 司) *

(incorporated in Bermuda with limited liability)

(Stock Code: 332)

(I) SUPPLEMENTAL AGREEMENT
IN RELATION TO
THE ACQUISITION OF UNION HONOR LIMITED
INVOLVING THE ISSUE OF CONSIDERATION SHARES;
(II) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;
(III) PROPOSED CHANGE OF COMPANY NAME;
AND
(IV) POST COMPLETION CONTINUING CONNECTED TRANSACTIONS

Financial adviser to the Company



Independent financial adviser to the Independent Board Committee

and the Independent Shareholders



THE SUPPLEMENTAL AGREEMENT

On 28 October 2013 (after trading hours), the Purchaser, the Vendor and the Vendor's Shareholders entered into the UHL SPA, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the entire issued share capital of UHL. The Long Stop Date of the UHL SPA is 31 March 2014 (or such other date as the Purchaser and the Vendor may agree in writing).

In order to facilitate the completion of the Acquisition and taking into consideration, amongst others, the Unaudited 2013 Profit, the current status of the preparation of the Accounts and the expiring Long Stop Date, the Purchaser, the Vendor and the Vendor's Shareholders have, after further negotiations, agreed to vary and simplify the terms of the Acquisition. On 17 March 2014, the Purchaser, the Vendor and the Vendor's Shareholders entered into the Supplemental Agreement pursuant to which the parties agreed to (i) extend the Long Stop Date; (ii) revise the consideration for the Acquisition with reference to the Unaudited 2013 Profit and the relevant settlement arrangements; (iii) cancel the Profit Guarantee; and (iv) amend the conditions precedent to the UHL SPA to reflect the changes relating to the New Consideration and the cancellation of the Profit Guarantee.

Pursuant to the terms of the Supplemental Agreement, the New Consideration of HK\$3,068,246,340 (subject to adjustment with reference to the Audited 2013 Profit) shall be settled (i) as to HK\$70,000,000 to be deemed as paid in cash by the Cash Deposit; and (ii) as to the balance of HK\$2,998,246,340 by procuring the Company to issue and allot to the Vendor's Shareholders (and/or their respective nominee(s)) of a total of 4,283,209,057 Consideration Shares at an issue price of HK\$0.70 per Consideration Share.

The New Consideration was arrived at after arm's length negotiations among the Company, the Purchaser, the Vendor and the Vendor's Shareholders with reference to, including but not limited to, (i) the business prospects of UHL Group; (ii) the Unaudited 2013 Profit of approximately RMB134.2 million (equivalent to HK\$170.4 million) extracted from the consolidated management accounts of UHL Group for the year ended 31 December 2013; (iii) the price-to-earnings ratio of approximately 18 times of UHL Group, which is within the range of the price-to-earnings ratio of the companies listed in Hong Kong whose principal activities include, amongst others, distribution, sales, trading and transportation of natural gas, which is similar to that of UHL Group; and (iv) the benefits of the Acquisition as disclosed in the Announcement.

In accordance with the Supplemental Agreement, it is agreed that the Long Stop Date shall be extended to 30 September 2014 or such other date as the Purchaser and the Vendor may agree in writing.

The Directors (excluding the independent non-executive Directors who will express their view after receiving the advice from the Independent Financial Adviser) consider that the terms of the UHL SPA (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including but not limited to the issue and allotment of the Consideration Shares) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

Subject to approval by the Shareholders at the SGM, the Board proposes to appoint Mr. Bao as the executive Director with effect upon Completion.

PROPOSED CHANGE OF COMPANY NAME

Subject to approval by the Shareholders at the SGM, the Company proposes to change the English name of the Company from "Ngai Lik Industrial Holdings Limited" to "Yuan Heng Gas Holdings Limited" and to adopt and register a Chinese name "元亨燃氣控股有限公司" as its secondary name, and to cease to use its existing Chinese name "毅力工業集團有限公司" for identification purpose upon Completion.

POST COMPLETION CONTINUING CONNECTED TRANSACTIONS

Circle Gas Group has been involved and will continue to be involved in (i) the sales of LNG to Guizhou Natural Gas and Tongzi Gas; and (ii) the purchase of LNG from Guizhou Gas and Guizhou Natural Gas. Both Guizhou Natural Gas and Tongzi Gas are subsidiaries of Guizhou Gas. As Guizhou Gas is a substantial shareholder of Huaheng Energy which will become a non wholly-owned subsidiary of the Company following Completion, the LNG Supply Arrangement and the LNG Purchase Arrangement will constitute continuing connected transactions of the Enlarged Group under the Listing Rules following Completion.

Circle Gas will enter into framework agreement(s) with Guizhou Gas pursuant to which the members of Circle Gas Group continue to engage in the LNG Supply Arrangement and the LNG Purchase Arrangement with Guizhou Gas Group on normal commercial terms no less favourable than otherwise provided by independent third parties.

Circle Gas Group has also been involved and will continue to be involved in the sales of LNG to JS Runfu, which is owned as to 70% by Mr. Wang Jian, a brother of Mr. Wang. Accordingly, JS Runfu is regarded as a connected person of the Company pursuant to the Listing Rules following Completion and the Runfu LNG Supply Arrangement will constitute continuing connected transactions of the Enlarged Group under the Listing Rules following Completion.

Circle Gas will enter into the framework agreement with JS Runfu pursuant to which the members of Circle Gas Group continue to engage in the Runfu LNG Supply Arrangement on normal commercial terms no less favourable than otherwise provided by independent third parties.

GENERAL

The Company will despatch the Circular in accordance with the requirements under the Listing Rules, which will contain, amongst others, (i) further information on UHL Group, the UHL SPA (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including but not limited to the issue and allotment of the Consideration Shares), the proposed Appointment of Executive Director and the proposed Change of Name; (ii) the recommendation from the Independent Board Committee relating to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the UHL SPA and the transactions contemplated thereunder; (iv) the financial information of UHL Group; (v) the valuation report of the property interests of UHL Group; (vi) the unaudited pro forma financial information of the Enlarged Group upon Completion; and (vii) notice of the SGM, together with accompanying form of proxy. As stated in the Delay Announcement, such circular will be despatched to the Shareholders on or before 30 April 2014.

Reference is made to the announcements issued by Ngai Lik Industrial Holdings Limited (the “**Company**”) dated 28 October 2013 (the “**Announcement**”), 16 December 2013, 24 January 2014 and 30 January 2014 (the “**Delay Announcement**”) in relation to, amongst others, the proposed acquisition of the entire equity interest in Union Honor Limited (“**UHL**”) by the Company. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

(I) THE SUPPLEMENTAL AGREEMENT

On 28 October 2013 (after trading hours), the Purchaser, the Vendor and the Vendor's Shareholders entered into the UHL SPA, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to dispose of the Sale Shares, representing the entire issued share capital of UHL at the total consideration of HK\$2,861,775,000, which will be satisfied as to (i) HK\$70,000,000 to be deemed as paid in cash by the deposit; (ii) HK\$1,953,875,000 by procuring the Company to issue and allot to the Vendor's Shareholders (and/or their respective nominee(s)) of a total of 2,791,250,000 Consideration Shares (credited as fully paid) at an issue price of HK\$0.70 per Consideration Share; and (iii) the balance of HK\$837,900,000 by procuring the Company to issue and allot to the Vendor's Shareholders (and/or their respective nominee(s)) of a total of 1,197,000,000 Convertible Preferred Shares at an issue price at par value of HK\$0.70 per Convertible Preferred Share. The Long Stop Date of the UHL SPA is 31 March 2014 (or such other date as the Purchaser and the Vendor may agree in writing).

As set out under the terms of the UHL SPA, part of the Consideration is subject to adjustment upon the fulfilment of the Profit Guarantee. Since the execution of the UHL SPA, the consolidated financial statements of UHL Group for the year ended 31 December 2013 is being audited and expected to be soon reported on by the auditors of UHL (the "**Auditors**") (i.e. the accounts to be used to assess the fulfilment of the Profit Guarantee pursuant to the terms of the UHL SPA) (herein referred to as the "**Accounts**"). Based on the unaudited consolidated management accounts of UHL Group for the year ended 31 December 2013 provided by the Vendor, UHL Group achieved unaudited consolidated net profit (after tax but excluding minority interests) for the year ended 31 December 2013 of approximately RMB134.2 million (equivalent to approximately HK\$170.4 million, the "**Unaudited 2013 Profit**"). In this regard and coupled with the expiring Long Stop Date on 31 March 2014, the Purchaser, the Vendor and the Vendor's Shareholders have, after further negotiations, agreed to vary and simplify the terms of the Acquisition. On 17 March 2014, the Purchaser, the Vendor and the Vendor's Shareholders entered into the supplemental agreement to the UHL SPA (the "**Supplemental Agreement**") pursuant to which the parties agreed to (i) extend the Long Stop Date; (ii) revise the consideration for the Acquisition (the "**New Consideration**") with reference to the Unaudited 2013 Profit and the relevant settlement arrangements; (iii) cancel the Profit Guarantee; and (iv) amend the conditions precedent to the UHL SPA to reflect the changes relating to the New Consideration and the cancellation of the Profit Guarantee. Material amendments and variations to the UHL SPA under the Supplemental Agreement are set out as follows:

New Consideration

Pursuant to the terms of the Supplemental Agreement, the New Consideration of HK\$3,068,246,340 (subject to adjustment as described below) shall be settled in the following manners upon the date of Completion:

1. as to HK\$70,000,000 to be deemed as paid in cash by the deposit pursuant to the terms of UHL SPA (the "**Cash Deposit**"); and
2. as to the balance of HK\$2,998,246,340 (the "**Consideration Shares Portion**") to be satisfied by procuring the Company to issue and allot to the Vendor's Shareholders (and/or their respective nominee(s)) a total of 4,283,209,057 Consideration Shares

(credited as fully paid) in accordance with their respective shareholdings in the Vendor (as for Champion Ever, its proportionate interest in the Consideration Shares shall be deducted accordingly by the Cash Deposit of HK\$70,000,000) at an issue price of HK\$0.70 per Consideration Share.

Accordingly, no Convertible Preferred Share is required to be allotted and issued for the settlement of the Consideration of the Acquisition pursuant to the Supplemental Agreement.

Pursuant to the Supplemental Agreement, the Purchaser and the Vendor agreed that the New Consideration is subject to adjustment if the audited consolidated net profit (after tax but excluding minority interests) of UHL Group for the year ended 31 December 2013 (the “**Audited 2013 Profit**”) extracted from the Accounts times the price-to-earnings ratio of UHL Group of 18 times (the “**Actual Value**”) is over 5% lesser than the New Consideration of HK\$3,068,246,340. In such event, the Purchaser and the Company shall have the right to offset the divergence between the Actual Value and the New Consideration (the “**Divergence**”) on a dollar for dollar basis against the Consideration Shares Portion and adjust the number of the Consideration Shares to be allotted and issued to each of the Vendor’s Shareholders (and/or their respective nominee(s)) pro-rata to their respective shareholding in the Vendor. For the avoidance of doubt, there should not be any adjustment to the New Consideration if (i) the Actual Value is more than the New Consideration; or (ii) the Divergence is less than or equal to 5% of the New Consideration (equivalent to approximately HK\$153,412,317).

Basis for the New Consideration

The New Consideration was arrived at after arm’s length negotiations among the Company, the Purchaser, the Vendor and the Vendor’s Shareholders with reference to, including but not limited to, (i) the business prospects of UHL Group; (ii) the Unaudited 2013 Profit of approximately RMB134.2 million (equivalent to approximately HK\$170.4 million) as extracted from the consolidated management accounts of UHL Group for the year ended 31 December 2013; (iii) the price-to-earnings ratio of approximately 18 times of UHL Group, which is within the range of the price-to-earnings ratio of the companies listed in Hong Kong whose principal activities include, amongst others, distribution, sales, trading and transportation of natural gas, which is similar to that of UHL Group; and (iv) the benefits of the Acquisition as disclosed in the Announcement.

Conditions precedent

Based on the Supplemental Agreement, the conditions precedent to the UHL SPA were amended and Completion shall be conditional upon satisfaction (or waiver, as applicable) of each of the following revised conditions precedent:

- 1) the Purchaser conducting a due diligence review of and being satisfied with the assets, liabilities, operation and business of UHL Group;

- 2) the passing by the Shareholders at the SGM of relevant resolution(s) to approve the UHL SPA and the transactions contemplated thereunder (in compliance with the Listing Rules, statutory documents and all applicable laws and regulations), including but not limited to:
 - (a) the issue and allotment of the Consideration Shares (credited as fully paid) to each of the Vendor's Shareholders and/or its nominee(s); and
 - (b) amendments to statutory documents of the Company and increase in the authorised share capital of the Company to facilitate the issue of the Consideration Shares (if necessary).
- 3) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares;
- 4) no indication having been received from the Stock Exchange that the transactions contemplated under the UHL SPA will be treated or, as the case may be, ruled by the Stock Exchange as a "reverse takeover" under Rule 14.06(6) of the Listing Rules, and/or the Company will be deemed as a new listing applicant under Rule 14.54 of the Listing Rules;
- 5) all necessary consent, approval, authorisation and permission from the relevant governmental or regulatory authorities which are necessary in connection with the UHL SPA and the transactions contemplated thereby having been obtained and/or procured to be obtained on or before the date of Completion;
- 6) no event or circumstance has occurred that would result in any material adverse impacts on the legal status or the continuation of the business of each of the members of UHL Group;
- 7) the obtaining of a PRC legal opinion (in form, substance and scope satisfactory to the Purchaser) by a PRC legal adviser covering matters including but not limited to the UHL SPA and the transactions contemplated thereunder and the business of UHL Group;
- 8) the warranties given by the Vendor and by the Vendor's Shareholders as set out in the UHL SPA remaining true and accurate in all respects on or as the date of Completion; and
- 9) UHL having issued the Accounts.

The Purchaser may at any time waive in whole or in part all or any of the conditions precedent (1) and (5) to (8) by notice in writing to the Vendor. If any of the conditions precedent has not been satisfied (or the case may be, waived by the Purchaser) at or before 12:00 noon on 30 September 2014 (or such other date as the Purchaser and the Vendor may agree in writing), the "**Revised Long Stop Date**", the Vendor shall return the Cash Deposit in cash to the Purchaser within 10 Business Days from the Revised Long Stop Date, and the UHL SPA shall cease and terminate (save and except for clauses relating confidentiality, notice and governing laws which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

The Revised Long Stop Date

Pursuant to the Supplemental Agreement, it is agreed that the Long Stop Date shall be extended to 30 September 2014 or such other date as the Purchaser and the Vendor may agree in writing.

Save as disclosed above, all other major terms of the UHL SPA remain unchanged and continue to be in full force and effect.

Information on UHL Group

Set out below is the unaudited consolidated financial information of UHL Group for the two financial years ended 31 December 2012 and 31 December 2013 respectively:

	For the year ended	
	31 December 2012	31 December 2013
	<i>RMB million</i>	<i>RMB million</i>
	<i>(Equivalent to HK\$ million)</i>	<i>(Equivalent to HK\$ million)</i>
	(unaudited)	(unaudited)
Turnover	1,143.3	1,944.8
	(1,452.0)	(2,469.9)
Profit before taxation	126.1	235.9
	(160.1)	(299.6)
Profit for the year attributable to		
— owners of UHL	60.2	134.2
	(76.5)	(170.4)
— minority interest	16.1	41.7
	(20.4)	(53.0)

As at 31 December 2013, the unaudited consolidated net assets value of UHL Group was approximately RMB696.3 million (equivalent to approximately HK\$884.3 million).

Please refer to the Announcement for the information relating to the organisation structure and business of UHL Group.

Reasons for entering into the Supplemental Agreement

In order to facilitate Completion, and taking into consideration amongst others, the Unaudited 2013 Profit, the current status of the preparation of the Accounts, and the expiring Long Stop Date, the Purchaser, the Vendor and the Vendor's Shareholders have, after arm's length negotiations, agreed under the Supplemental Agreement to extend the Long Stop Date and revise the consideration for the Acquisition with reference to, amongst others, the Unaudited 2013 Profit (subject to adjustment with reference to the Audited 2013 Profit).

The extension of the Long Stop Date allows the parties to have additional time to fulfil the conditions precedent set out in the UHL SPA (as amended and supplemented by the Supplemental Agreement). In addition, the adoption of the Unaudited 2013 Profit (subject to adjustment with reference to the Audited 2013 Profit) as the basis in

determining the New Consideration (resulting the cancellation of the Profit Guarantee) provides, essentially a simpler structure of the Acquisition and avoid having to issue a separate class of security (i.e. the Convertible Preferred Shares) which served as an intermediate instrument to settle part of the Consideration upon Completion but before the Profit Guarantee is concluded.

On the above basis, the Directors (excluding the independent non-executive Directors who will express their view after receiving the advice from the Independent Financial Adviser) consider that the terms of the UHL SPA (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including but not limited to, the issue and allotment of the Consideration Shares) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Shareholding structure of the Company

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion and the issue and allotment of the Consideration Shares.

	As at the date of this announcement		Immediately upon Completion and the issue and allotment of the Consideration Shares	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Frontier Global ⁽¹⁾	636,504,351	62.43	636,504,351	12.01
Champion Ever	—	—	2,656,464,436 ⁽²⁾	50.10
Sub-total	636,504,351	62.43	3,292,968,787	62.11
Public Shareholders:				
Michael Feng Group Limited	—	—	11,092,508	0.21
Forever Honor Holdings Limited	—	—	21,555,323	0.41
Hongkong World Asia Investment Limited	—	—	55,462,540	1.05
Ultimate Gains Limited	—	—	27,731,270	0.52
Celestial Speed Limited	—	—	27,731,270	0.52
Profit Rise Holdings Limited	—	—	166,387,619	3.14
Weyoung Technology Co Limited	—	—	138,656,349	2.61
Merifund Growth Capital	—	—	130,408,303	2.46
Excel Glory Investment Limited	—	—	27,731,270	0.52
Jin Pei Investments Limited	—	—	33,277,524	0.63
Ever Express Group Holdings Limited	—	—	330,450,571	6.23
August World Limited	—	—	156,601,653	2.95
Billion Central Limited	—	—	161,461,478	3.04
Kingyield Limited	—	—	114,027,539	2.15
Advance Yield Limited	—	—	87,258,519	1.65
Trophy City Limited	—	—	54,764,354	1.03
Sure August Limited	—	—	82,146,531	1.55
Other public Shareholders	383,088,507	37.57	383,088,507	7.22
Sub-total	383,088,507	37.57	2,009,833,128	37.89
Total	1,019,592,858	100.00	5,302,801,915	100.00

Notes:

1. Frontier Global is wholly owned by Touch Billion Limited, which in turn is held as to 25% by Galaxy King Limited which is wholly owned by Mr. Zhou Jiawei and as to 75% by Champion Golden Limited, in which Mr. Wang has 50% of the voting right; Mr. Pan Junfeng, an executive Director has 25% of the voting right; and Mr. Gao Xiong has 25% of the voting right.
2. As for Champion Ever, its proportionate interest in the Consideration Shares shall be deducted accordingly by the Cash Deposit of HK\$70,000,000.
3. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor's Shareholders (other than (i) Champion Ever and (ii) Mr. Bao and Mr. Wang Jianshan, who are cousins of Mr. Wang and hold in aggregate 32% equity interests in Ever Express) and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons in accordance with the Listing Rules and are third parties independent to each other as at the date of this announcement.
4. There will not be a change in control of the Company as a result of the Acquisition.
5. The above percentages are subject to rounding error.

(II) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

Subject to approval by the Shareholders at the SGM, the Board proposes to appoint Mr. Bao Jun (“**Mr. Bao**”) as the executive Director with effect upon Completion (the “**Appointment of Executive Director**”). Set out below are brief biographical details of Mr. Bao:

Experience of Mr. Bao

Mr. Bao, aged 46, will be appointed as the executive Director and the general manager of Circle Gas upon Completion. Mr. Bao currently acts as the business adviser assisting in the business operations and project management of 貴州華亨能源投資有限公司(Guizhou Huaheng Energy Investments Co., Ltd*, “**Huaheng Energy**”) and 菏澤綠潔燃氣有限責任公司(Heze Lujie Gas Co., Ltd.*, “**Heze Lujie**”). He is also a director of each of Huaheng Energy, Heze Lujie, 貴州華元投資有限公司 (Guizhou Huayuan Investments Co., Ltd.*, “**Guizhou Huayuan**”) and 貴州燃氣(集團)天然氣支綫管道有限公司(Guizhou Gas (Group) Natural Gas Pipelines Co., Ltd.*, “**Guizhou Gas Pipelines**”) (each of them being a subsidiary or associate of UHL Group) and a legal representative of each of Heze Lujie and Guizhou Huayuan. He obtained his bachelor degree in Engineering from Jiangnan University (江南大學) (formerly known as Wuxi Polytechnic University, 無錫輕工業學院) in 1989. Mr. Bao joined Guangdong Light Industry Design Institute (廣東中輕工程設計院) as an engineer from 1989 to 2000 and was responsible for the research and development of the manufacturing technique of various biological-engineering and chemical engineering projects such as the design and management of amino acids production plant and brewery. Prior to joining the Group, Mr. Bao was the vice president of 廣州元亨能源有限公司 (Guangzhou Circle Energy Company Limited*). He was involved in a series of oil refineries, power plants and construction and acquisition of LNG projects. He has over 20 years of experience in project investment, construction and operation management. Upon Completion, Mr. Bao will remain as a director of each of Huaheng Energy, Heze Lujie, Guizhou Huayuan and Guizhou Gas Pipelines (each of them being a subsidiary or associate of UHL Group).

Subject to approval by the Shareholders at the SGM, Mr. Bao will be responsible for the overall business and affairs of the Group, in particular to identify new sales/business prospects and to drive business growth and requirements for sales development.

Mr. Bao does not hold any directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or major appointments and professional qualifications.

Relationships with directors, senior management, substantial or controlling shareholders of the Company

Mr. Bao is a cousin of Mr. Wang. Save as aforesaid, Mr. Bao is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Interests in Shares and Sale Shares

As at the date of this announcement, Mr. Bao is interested in 16% of the equity interest in Ever Express Group Holdings Limited which holds approximately 7.54% equity interests of the Vendor. Pursuant to the UHL SPA, upon Completion, Ever Express Group Holdings Limited will be interested in approximately 6.23% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

Save as disclosed above, as at the date of this announcement, Mr. Bao does not have any interests in any shares or underlying shares of the Company required to be disclosed pursuant to Part XV of the Securities and Futures Ordinance.

Service contract

The Company will enter into a service contract with Mr Bao after obtaining the Shareholders' approval of his appointment as an executive Director at the SGM. Mr. Bao will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. The remuneration for Mr. Bao's serving as an executive Director will be determined by the remuneration committee of the Company according to the authorisation by the Shareholders and based on the Company's remuneration policies regarding executive Directors. The Company will make further announcement in relation to Mr. Bao's remuneration once it is determined by the Company's remuneration committee.

Save as disclosed above, Mr. Bao is not aware of any other matters relating to his appointment that need to be brought to the attention of the shareholders of the Company and any other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

(III) PROPOSED CHANGE OF COMPANY NAME

Subject to approval by the Shareholders at the SGM, the Company proposes to change the English name of the Company from "Ngai Lik Industrial Holdings Limited" to "Yuan Heng Gas Holdings Limited" and to adopt and register a Chinese name "元亨燃氣控股有限公司" as its secondary name, and to cease to use its existing Chinese name "毅力工業集團有限公司" for identification purpose upon Completion (the "Change of Name").

Reasons for the Change of Name

The Change of Name is to reflect the Company's focus on its business in the energy industry, in particular, the sector relating to natural gas. In addition, the Board believes that the new name of the Company can improve the Company's corporate image and identity, which the Board considers to be in the interests of the Company and the Shareholders as a whole.

Conditions

The Change of Name is conditional upon the following conditions (the "**Change of Name Conditions**") having been satisfied:

- (i) the passing by the Shareholders at the SGM of a special resolution to approve the Change of Name;
- (ii) the issue of a certificate of incorporation on change of name bearing the new English and Chinese names by the Registrar of Companies in Bermuda; and
- (iii) completion of the UHL SPA (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder.

Effect of the Change of Name

Subject to the satisfaction of the Change of Name Conditions, the Change of Name will take effect from the date of the issue of a certificate of incorporation on change of name bearing the new English and Chinese names by the Registrar of Companies in Bermuda. The Company will then carry out all necessary filing procedures with the Companies Registry in Hong Kong.

The Change of Name will not affect any rights of the Shareholders or the Company's daily business operation or its financial position. All existing share certificates of the Company in issue bearing the present name of the Company will, after the Change of Name becoming effective, continue to be good evidence of legal title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. As such, no arrangement will be made for the exchange of the existing share certificates of the Company for the new share certificates bearing the Company's new name as a result of the Change of Name.

Once the Change of Name has become effective, new share certificates of the Company will be issued only in the new name of the Company and the securities of the Company will be traded on the Stock Exchange in the new name.

Further announcement(s) will be made by the Company to inform the Shareholders of results of the SGM, the effective date of the Change of Name and the new stock short names of the Company.

(IV) POST COMPLETION CONTINUING CONNECTED TRANSACTIONS

Sale and purchase of LNG between Circle Gas Group and members of Guizhou Gas

As disclosed in the Announcement, Circle Gas Group has been involved and will continue to be involved in (i) the sale of LNG to 貴州省天然氣有限公司 (Guizhou Natural Gas Limited*, “**Guizhou Natural Gas**”) and 貴州燃氣(集團)桐梓縣燃氣有限公司 (Guizhou Gas (Group) Tongzi Gas Limited*, “**Tongzi Gas**”); and (ii) the purchase of LNG from 貴州燃氣(集團)有限責任公司 (Guizhou Gas (Group) Co., Ltd*, “**Guizhou Gas**”) and Guizhou Natural Gas. Guizhou Natural Gas and Tongzi Gas are subsidiaries of Guizhou Gas. Guizhou Gas is a state-owned enterprise and one of the leading gas corporations in Guizhou Province. Guizhou Gas is a substantial shareholder of Huaheng Energy which UHL indirectly holds approximately 50% of shareholding. Huaheng Energy is accounted for as a subsidiary of UHL and the result of which is consolidated into the accounts of UHL. As Huaheng Energy will become a subsidiary of the Enlarged Group following Completion, the sale of LNG from Circle Gas Group to the members of Guizhou Gas (including but not limited to Guizhou Gas, Guizhou Natural Gas and Tongzi Gas, the “**Guizhou Gas Group**”) (the “**LNG Supply Arrangement**”) and the purchase of LNG from Guizhou Gas Group by UHL Group (the “**LNG Purchase Arrangement**”) will constitute continuing connected transactions of the Enlarged Group under the Listing Rules following Completion.

Circle Gas will enter into framework agreement(s) with Guizhou Gas pursuant to which the members of Circle Gas Group continue to engage in the LNG Supply Arrangement and the LNG Purchase Arrangement on normal commercial terms no less favourable than otherwise provided by independent third parties at the price to be determined on the basis of arm’s length negotiation according to the prevailing market price of the month with reference to, amongst others, a weekly market report on LNG price in the PRC issued by a global market research organisation. The amount of LNG to be supplied to Guizhou Gas Group by Circle Gas Group, the amount of LNG to be supplied by Guizhou Gas Group to Circle Gas Group, the actual settlement price and the method of payment shall be determined based on the above principal and confirmed in the sales contract to be signed by the parties.

The transaction amount of LNG supplied by Circle Gas Group to Guizhou Natural Gas and Tongzi Gas was approximately RMB213.7 million, RMB48.6 million and RMB314.6 million for the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 respectively. The transaction amount of LNG supplied by Guizhou Gas and Guizhou Natural Gas to Circle Gas Group was approximately RMB1.2 million, RMB17.1 million and RMB109.6 million for the three years ended 31 December 2011, 31 December 2012 and 31 December 2013 respectively.

Sales of LNG to JS Runfu

Circle Gas Group has also been involved and will continue to be involved in the sales of LNG to 江蘇潤富新能源發展有限公司 (Jiangsu Runfu New Energy Development Co., Ltd.*, “**JS Runfu**”), which is owned as to 70% by Mr. Wang Jian, a brother of Mr. Wang. Accordingly, JS Runfu is regarded as a connected person of the Company pursuant to the Listing Rules following Completion and the sales of LNG from Circle Gas Group to JS Runfu (the “**Runfu LNG Supply Arrangement**”) will constitute continuing connected

transactions for the Enlarged Group under the Listing Rules following Completion. JS Runfu is principally engaged in supply of natural gas in Nantong, Jiangsu Province, the PRC.

Circle Gas and JS Runfu will enter into a LNG sale framework agreement pursuant to which the members of Circle Gas Group will supply LNG to JS Runfu on normal commercial terms no less favourable than otherwise provided by independent third parties at price to be determined on the basis of arm's length negotiation according to the prevailing market price of the month with reference to, amongst others, a weekly market report on LNG price in the PRC issued by a global market research organisation. The amount of LNG to be supplied to JS Runfu, the actual settlement price and the method of payment shall be determined based on the above principal and confirmed in the sales contract to be signed by the parties.

The transaction amount of LNG supplied by Circle Gas Group to JS Runfu was approximately RMB26.6 million and RMB12.6 million for the year ended 31 December 2011 and 31 December 2013. No transaction was recorded for the year ended 31 December 2012.

Listing Rules Implications

The Board expected that the relevant percentage ratios under Rule 14.07 of the Listing Rules in respect of the estimated caps for each of the LNG Supply Arrangement, the LNG Purchase Arrangement and the Runfu LNG Supply Arrangement for the period from the date of Completion to 31 March 2015 (the “**Estimated Caps**”) will not exceed 5%. Accordingly, the LNG Supply Arrangement, the LNG Purchase Arrangement and the Runfu LNG Supply Arrangement are only subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Appropriate announcement(s) will be made by the Company if there are any changes in the Estimated Caps in the future.

The Directors (including the independent non-executive Directors) consider that the LNG Supply Arrangement, the LNG Purchase Arrangement and the Runfu LNG Supply Arrangement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Mr. Wang is the brother of Mr. Wang Jian, the 70% shareholders of JS Runfu, and therefore has abstained from voting at the Board meeting for approval of the relevant transaction under Runfu LNG Supply Arrangement in accordance with the requirements of the Listing Rules. Save for Mr. Wang, the Directors (including the independent non-executive Directors) confirm that they have no materials interests in the transactions to be contemplated under the LNG Supply Arrangement, the LNG Purchase Arrangement and the Runfu LNG Supply Arrangement.

(V) GENERAL

Reference is also made to the Delay Announcement. The Circular containing, among other things, (i) further information on UHL Group, the UHL SPA (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder (including but not limited to the issue and allotment of the Consideration Shares), the proposed Appointment of Executive Director and the proposed Change of Name; (ii) the recommendation from the Independent Board Committee relating to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the

Independent Board Committee and the Independent Shareholders in relation to the terms of the UHL SPA and the transactions contemplated thereunder; (iv) the financial information of UHL Group; (v) the valuation report of the property interests of UHL Group; (vi) the unaudited pro forma financial information of the Enlarged Group upon Completion; and (vii) notice of the SGM, together with accompanying form of proxy, will be despatched to the Shareholders on or before 30 April 2014. The Shareholders and potential investors should refer to the Circular for further details of the transactions.

By Order of the Board
Ngai Lik Industrial Holdings Limited
Wan Oi Ming Kevin
Company Secretary

Hong Kong, 17 March 2014

As at the date of this announcement, the executive directors of the Company are Mr. Wang Jianqing and Mr. Pan Junfeng; and the independent non-executive directors of the Company are Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.

For the purpose of this announcement, unless the context otherwise requires, conversion of RMB into HK\$ is based on the approximate exchange rate of RMB0.7874 to HK\$1. Such exchange rates are for the purpose of illustration only and do not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rates or at all.

* *for identification purpose only*